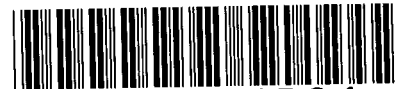


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BEFORE THE ARIZONA CORPORATION COMMISSION

2012 JUN 20 A 11:00

COMMISSIONERS

GARY PIERCE, Chairman
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP
BRENDA BURNS

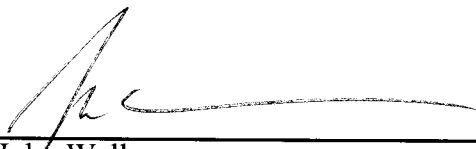
AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. G-02527A-05-0670
GRAHAM COUNTY UTILITIES, INC.)
FOR APPROVAL OF PURCHASED GAS)
ADJUSTOR SURCHARGE) **PLAN TO ACQUIRE FIXED**
) **PRICE GAS SUPPLIES**

Graham County Utilities, Inc. Gas Division ("GCU") hereby respectfully submits to the Arizona Corporation Commission (the "Commission") its plan to acquire fixed price natural gas supplies in compliance with Decision No. 68298.

RESPECTFULLY SUBMITTED this 20th day of June 2012.

By

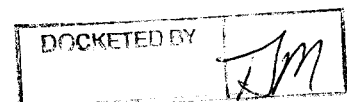

John Wallace
Grand Canyon State Electric Cooperative Association
2210 South Priest Drive
Tempe, AZ 85282

Original and thirteen (13) copies of
Graham County Utilities' Plan
filed this 20th day of June, 2012 with:

DOCKET CONTROL
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED

JUN 20 2012



2012-2013 Plan to acquire fixed price gas supplies (Decision No. 68298)

I. THE GCU PLAN:

Decision No. 68298 requires GCU by June 30th of each year to file a plan indicating any fixed price supplies that it has acquired for the following winter season and how GCU plans to hedge its natural gas supplies prior to the following winter heating season. GCU has been actively preparing this plan and seeking bids for natural gas at a fixed price during the 2012-2013 winter heating season.

To meet its demand for the 2011-2012 heating season, GCU entered into the following fixed price contracts:

- 50% of its estimated purchases at \$4.55 per decatherm that will expire on July 31, 2012.

To meet its demand for the 2012-2013 heating season, GCU has currently entered into a fixed price contract that becomes effective on August 1, 2012 for:

- 50% of its estimated purchases at \$4.55 per decatherm that will expire on July 31, 2013.

GCU has also contracted for the 2013-2014 heating season with an attractive fixed price contract that becomes effective on August 1, 2013 for:

- 50% of its estimated purchases at \$4.32 per decatherm that will expire on July 31, 2014.

GCU's natural gas purchasing philosophy is to have about 50% fixed priced contracts and 50% index priced for its purchased gas before the winter months. GCU will continue to closely monitor the natural gas prices and possibly lock in additional fixed contracts to meet its goal of contracting for 50% or more of its purchased gas for the 2012-2013 winter heating season.